NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Shorts Meadow/Evers Creek Timber Sale is located within portions of Sections 13, 14, and 24, T31N-R24W on the State's Stillwater Unit. Approximately 28,764 tons consisting primarily of Douglas-fir, Engelman spruce, and western larch sawlogs are offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on June 21, 2007 at 3:00 p.m. Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received. Bids must be accompanied by a deposit of \$35,952.00, representing 5% of the minimum bid value of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. If the successful bidder is unable to execute the contract within 45 calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), the Northwestern Land Office in Kalispell (406-751-2240), or the Stillwater Unit Office in Olney, MT (406-881-2371).

Visit our website at www.dnrc.mt.gov Online Services for upcoming sales and bid results.

/s/ David A. Groeschl, Chief Forest Management Bureau Trust Land Mgmt Division

Publication Dates: May 23, 30, June 6, 13, 2007

TIMBER SALE PROSPECTUS MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Shorts Meadow/Evers Creek

Timber Sale Location: Sections 13, 14, & 24, T31N-R24W

For specific sale information, contact:

Phone 406-881-2371 Pete Evans, Bob Traina Unit Office: Stillwater

For copies of the Timber Sale Contract and bid forms, contact:

Phone 406-542-4300 Forest Management Bureau DNRC Missoula Office

Phone 406-751-2240 Northwestern Land Office

General Bidding Information

1. Bids must be submitted on standard DNRC bid forms.

- 2. Timber will be sold to the highest responsible bidder; however, the Department reserves the right to reject any or all bids.
- 3. DNRC recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
- 4. A **bid guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, bank money order, bank draft, surety bond or irrevocable letter of credit.
- 5. The Purchaser must submit a **performance bond** within 45 days of the sale award. It will amount to 20% or more of the bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract.
- 6. The Purchaser must submit an **advance stumpage payment** prior to cutting any timber. The amount of the advance will be based on the expected harvest rate and the bid value of the stumpage. The advance may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
- 7. The Purchaser will pay **Forest Improvement fees** and any special **Road Use and Maintenance fees** in addition to stumpage payments.
- 8. This sale is being sold based on the gross weight of all species. Minimum price and bid price is per ton. The price is for all species, green and dead. Billing will be based on gross weight. A weight ticket from a certified scale is required for every load.
- 9. The Department has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. All delivered wood is required to be weighed. Payment will be at per ton bid rates. The Department recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the purchaser and the tree conditions in the sale area. The actual delivered weight may also vary, resulting in an overrun or under-run of the estimated tonnage. DNRC strongly recommends that bidders evaluate these effects before bidding. Cost adjustments and stumpage credits/debits requested by the Purchaser based on actual vs. harvested volumes will not be granted.
- 10. DNRC does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not its market value. Purchasers are strongly encouraged to make their own estimates based on contract requirements. Cost adjustments and stumpage credits/debits requested by the Purchaser will not be granted when based on actual vs. estimated costs.
- 11. Bidders should examine the Timber Sale Contract and sale area prior to bidding. Additional information is available at the phone numbers shown above.
- 12. Estimated stand data in this prospectus and volume estimates in the sale contract are not guaranteed.
- 13. <u>This prospectus is provided for information purposes only.</u> If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

TABLE 1: Summary of Sale Specifications							
Sale Data							
389	Net Sale Area (acres)	0.23	Miles of road construction				
August 31, 2010	Contract ending date	0	Miles of road reconstruction				
8%	Cable logging required (% of volume)	0.5	Miles of road reclamation or abandonment				
Operating Season: Who	Operating Season: When soil conditions allow						
Charges and Appraised Costs							
\$35,952.00	Bid Guarantee (total \$)						
20% of bid value	Performance Bond						
\$N/A	Collected Road Maintenance And Road Use Charges (\$ per ton)						
\$ 2.87	Collected Forest Improvement Fee (\$ per ton)						
\$13,758.78	Quarterly Installment of Forest Improvement Payments (\$ per payment, first 5 payments)						
\$10,805.00	Road Development Costs - Appraised Purchaser-Do (total \$)						
\$0.05	Road Maintenance Costs - Appraised Purchaser-Do (\$ per ton)						
\$0.07	Slash Disposal Costs - Appraised Purchaser-Do (\$ per ton)						
\$0.10	Timber Stand Improvement Costs - Appraised Purchaser-Do (\$ per ton)						

TABLE 2: Timber Cruise Data and Minimum Bids									
SPECIES	PP	DF	WL	LP	ES	AF	CE	DD	TOTAL or AVE
Minimum Acceptable Bid									\$25.00/ton
Total estimated tons		10,080	4,225	2,230	9,567	2,663			28,764
Gross MBF		1,631	682	274.1	1,621.2	438.2			4,646.5
%Cull and Breakage		9	8	10	8	9			
Net MBF		1,484	627	246.7	1,491.5	398.8			4,239
Average logs per MBF		17.4	21.5	26.5	19.8	23.5			
Average DBH		13.2	10.2	10.7	8.3	10.6			
Average tons per acre harvested in leave-tree marked units								67	
Average tons per acre harvested in cut-tree-marked units							24		
Average MBF to cut per acre on the timber sale							10.9		
Range of cut trees per acre based on unit cruise							78 to 245		
Calculated Sampling Error (net MBF): 11.71 %									
The total cruised volume will fall between 3,942 and 4,536 thousand net board feet in 9 out of 10 cruises.									
Tons Per Thousand Board Feet Conversion Factor = 28,764 tons per 4,239 net MBF = 6.79 tons per MBF.									

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TABLE 3: Unit Harvest Volume and Harvest Schedule							
Unit	Section	Acres	Estimated Tons	Estimated Net MBF	Removal Date		
1	14	21	1,006	107			
2	14	21	1,096	172			
3	14	56	5,164	801			
3B	14	6	546	86			
4	14	3	80	11			
5	14	38	3,211	465			
5B	14	3	101	16			
6	13,14	39	3,150	458			
7	13	39	1,609	219	July 31, 2010		
8	13	20	1,536	185			
9	24	31	2,798	432			
10	24	33	1,811	258			
11	24	22	1,901	283			
12	24	24	2,290	368			
13	24	17	933	133			
14	24	16	1,532	245			
		389	28,764	4,239			

Additional Sale Information:

- 1. Top sizes will be 4.6 inches for all species. Ton volume calculations are based on cubic volume to a 4.6-inch top. Scribner volume calculations used in this prospectus are based on a 5.6-inch top size for all species.
- 2. Residences are within 1,000 feet of the Unit 1, 2, 3b and 7 boundaries. For these units, the "high" fire hazard reduction is applicable: 90 percent of the slash within 100 feet of any residence, and for 100 feet inside any portion of a cutting unit boundary that lies within 1,000 feet of a residential structure must be chipped, piled, buried, or removed within 60 days of its creation.
- 3. Traffic control will be required when felling operations take place along open roads.
- 4. Winter logging is required in all or parts of Units 3, 5, 5B, 6, 9, and 12.
- 5. Maps of harvest units in larger scale are available at the Stillwater Unit office upon request.
- 6. Protection of submerchantable trees is required in units along open roads.
- 7. The Purchaser will be required to slash submerchantable trees in Units 8 and 11.
- 8. Weed sprayings are required twice on all haul roads behind road closures. Spraying shall be done by a commercial applicator licensed by the State of Montana or by personnel under the direct supervision of the licensed applicator.
- 9. A gate at the Shorts Meadow Road restricts public access. Arrangements must be made to obtain a key at the Stillwater Unit Office in Olney.

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